



# NS&I Bereavement Claims - Delivery Plan

19 May 2026

## Introduction

**On 26 March 2026, the Minister for Pensions, Torsten Bell MP, informed the House of Commons that NS&I had identified an issue where the estates of deceased customers were not always repaid money from all of their accounts following a bereavement claim.**

These errors happened because the search process used when handling a bereavement claim failed to identify all relevant NS&I products. The issue was resolved for current and new bereavement claims from January 2026 and operational processes changed so that it does not reoccur.

In March, the Minister instructed NS&I to publish a plan in May 2026 setting out the number of deceased customers' estates affected by the past issue and how families and beneficiaries of these estates would be reunited with their money. Today, we publish that plan.

This issue should not have happened and I want to repeat the apology NS&I made in March to everyone who has been affected by it. Beginning the process of repaying these funds is a key step in putting things right.

Dealing with the death of a loved one is a difficult and upsetting time. We know we need to do all we can to make the process of accessing a deceased saver's NS&I holdings as straightforward as possible for personal representatives and executors of estates.

We have made changes to how NS&I processes bereavement claims so that this issue does not reoccur. The new, more thorough search process, introduced in January 2026, takes longer than before and has, unfortunately, resulted in delays to current and new claims. I want to extend my apology to people affected by these delays. We have brought in 100 extra staff to ensure we return to processing bereavement claims within our service standards.

We will publish an update on progress against this plan on a quarterly basis. We are also looking at where we can make further improvements to our bereavement service.



**Sir Jim Harra**  
Interim Chief Executive, NS&I

## Number of customers affected by the past issue and the value of their holdings

NS&I, supported by independent external advisers, reviewed over 34 million records. On 26 March, our estimation was that up to 37,500 estates were affected by this issue, with a total value of £476 million.

Since then, work has continued to review cases and further refine this analysis. Today, 19 May, our assessment is that **up to 34,000 estates** have been affected, with a total value of **approximately £367 million**.

## **How we will calculate when an estate will be paid**

NS&I will contact all affected estates with holdings of £10 or more to reunite them with the full value of those holdings that should have been returned to them earlier. To ensure estates have not been disadvantaged by the delay, this will then be adjusted upwards to include either the higher of the interest accrued since the error occurred, or the Bank of England base rate plus one percentage point, in line with Financial Ombudsman Service (FOS) principles.

### **Additional costs incurred as a result of receiving this payment**

We know that some estates may incur additional professional services costs, such as legal or administration fees, as a result of receiving an unexpected payment from NS&I.

When we write to personal representatives or executors with details of their payment, we will set out the process for submitting a request for reimbursement of reasonable legal costs. We will review each one on a case-by-case basis.

### **Will payments be subject to tax?**

The Minister for Pensions, Torsten Bell MP, confirmed to the House of Commons on 19 May, that there will be a full inheritance tax exemption for the holdings of the remediation population affected by the NS&I tracing error which are returned to the estates to which they rightly belong. To further ease the administration of estates, the personal representatives or executors will not be liable for any Income Tax ordinarily due in their role on interest accrued before death or in the administration period.

## **How we will contact affected estates**

We will contact the personal representatives or executors of the deceased customers' estates. It will be for them to distribute the funds to the beneficiaries of the estate. NS&I will not contact beneficiaries directly (except where, as is often the case, they are themselves the personal representative or executor).

We are working with specialist data search providers to ensure we have the correct address and contact details for each personal representative and executor. Once we have confirmed the contact details are correct, we will write to apologise for our error, explain what has happened and confirm the amount the estate will be repaid plus the interest payable.

Our letter will also explain how the estate can reclaim any additional legal costs or administrative fees it incurs.

We will provide a dedicated NS&I telephone number for any queries.

We will undertake reasonable endeavours to reach all estates impacted. Where this is not possible and an estate cannot be contacted, we will continue to hold the funds and these will continue to accrue interest until the estate does get in touch and the funds and interest can then be repaid.

We will contact those estates where the capital in the deceased customer's accounts plus accrued interest is £10 or more. The de minimis threshold is being set lower than seen in some redress cases, reflecting the priority attached to returning funds to those affected while avoiding creating disproportionate administrative burdens and disturbance in the cases of the smallest holdings.

### **When payments will take place**

The first letters contacting the executors and personal representatives of affected estates will be sent out next week. The payment will follow soon after.

Letters will be despatched in weekly batches and we expect to complete the exercise in the first half of 2027.

